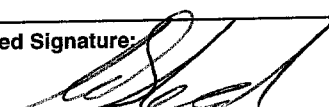


<b>1999 Session</b>		LRB Number <b>LRB 0203/1</b>
<b>FISCAL ESTIMATE</b> DOA-2048 N(R06/99)		Bill Number <b>AB 551</b>
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable
<b>Subject</b>  <b>Technical corrections, clarifications and minor changes to several statutes</b>		Administrative Rule Number
<b>Fiscal Effect</b> State: <input checked="" type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.		
<input type="checkbox"/> Increase Existing Appropriation <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs
Local: <input checked="" type="checkbox"/> No local government costs		
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<b>Fund Sources Affected</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		<b>Affected Chapter 20 Appropriations</b>
<b>Assumptions Used in Arriving at Fiscal Estimate</b>  <p><b>This Bill contains several technical corrections to existing statutes. These changes include priority of claims for distribution in insurance liquidations, the insurance security fund, conforming the mutual insurance holding company provisions to changes made in the non-stock corporation provisions and other minor corrections and clarifications.</b></p> <p><b>The minor remedial changes in liquidation priorities will have no cost to the agency since they affect only administration of liquidation assets.</b></p> <p><b>The changes with regard to the security fund are mostly technical in nature. There are several changes to time limits etc. which have no impact on cost which would remain at current levels. The Bill adds the power to pursue salvage or subrogation with respect to paid covered claim obligations, to retain any amounts recovered, and to appoint and direct legal counsel for defense of covered claims. While these added powers have the potential for increasing OCI costs they are expected to be minor and can be absorbed by the agency.</b></p> <p><b>The Bill provisions with respect to the mutual holding company provisions brings two parts of the statutes into conformance. These technical corrections will not incur increased OCI costs and will be helpful to those who deal with these sections of the statutes.</b></p> <p><b>The other more minor corrections have little or no fiscal impact on OCI. What slight changes there are can be absorbed by the agency.</b></p>		
<b>Long-Range Fiscal Implications</b> <b>None, cost can be absorbed by agency.</b>		
Prepared by: <b>Clare Stapleton Concord</b>	Telephone No. <b>(608) 266-5673</b>	Agency <b>OCI</b>
Authorized Signature: 	Telephone No. <b>(608) 266-5673</b>	Date <b>10-19-99</b>